

**IN THE UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF ARIZONA**

In re:	)	CASE NO.	<u>19-14401</u>
	)		
OXYGEN HOSPITALITY GHROUP, INC.	)	<b>BUSINESS AND INDUSTRY</b>	
	)	<b>MONTHLY OPERATING REPORT</b>	
	)		
	)	MONTH OF	<u>March-20</u>
	)		
	)	DATE PETITION FILED:	<u>11/12/2019</u>
Debtor	)		
	)	TAX PAYER ID NO. :	<u></u>

Nature of Debtor's Business: \_\_\_\_\_ Hotel Management

DATE DISCLOSURE STATEMENT FILED \_\_\_\_\_ TO BE FILED \_\_\_\_\_

DATE PLAN OF REORGANIZATION FILED \_\_\_\_\_ TO BE FILED \_\_\_\_\_

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOLLOWING MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

**RESPONSIBLE PARTY:**

David Valade

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ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

CFO	
<hr/>	
	TITLE

David Valade  
PRINTED NAME OF RESPONSIBLE PARTY

4/14/2020  
DATE

**PREPARER:**

David Valade

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ORIGINAL SIGNATURE OF PREPARER

CFO

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TITLE

David Valade  
PRINTED NAME OF PREPARER

4/14/2020  
DATE

**PERSON TO CONTACT REGARDING THIS REPORT:** David Valade

PHONE NUMBER: 480-236 -2712

ADDRESS: 3600 N. 2 nd Ave. Phoenix, AZ 85013

**FILE ORIGINAL REPORT ELECTRONICALLY WITH THE COURT**

OXYGEN HOSPITALITY GROUP, INC.

Case Number:

19-14401

## CURRENT MONTH'S RECEIPTS AND DISBURSEMENTS

	BANK ACCOUNTS				Total
	Cash	Operating	Payroll	Tax	
		#1345	#	#	

Balance at Beginning of Period		390.6			390.6
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**RECEIPTS**

Cash Sales					
Accounts Receivable					
Loans and Advances					
Sale of Assets					
Transfers from Other DIP Accounts					
Other (attach list)					
<b>TOTAL RECEIPTS</b>					

**DISBURSEMENTS**

Business - Ordinary Operations					
Capitol Improvements					
Pre-Petition Debts					
Transfers to Other DIP Accounts					
Other (attach list)					
<b>Reorganization Expenses:</b>					
Attorney Fees					
Accountant Fees					
Other Professional Fees					
U. S. Trustee Quarterly Fee					
Court Costs					
<b>TOTAL DISBURSEMENTS</b>		390.6			390.6

<b>Balance at End of Month</b>					
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\*Information provided above should reconcile with balance sheet and income statement amounts

**DISBURSEMENTS FOR CALCULATING QUARTERLY FEES:**

Total Disbursements From Above	390.6
<b>Less:</b> Transfers to Other DIP Accounts	
<b>Plus:</b> Estate Disbursements Made by Outside Sources (payments from escrow; 2-party check; related parties; etc.)	
Total Disbursements for Calculating Quarterly Fees	390.6

**INCOME STATEMENT**

(Accrual Basis)

\*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) year-to-date and filing-to-date information is provided, and (3) if reorganization expenses are segregated in the statement.

REVENUES	Current Month	Year to Date	Total Since Filing
Gross Revenue			
Less: Returns & Discounts			
Net Revenue			
COST OF GOODS SOLD			
Material			
Direct Labor			
Direct Overhead (attach detail)			
Total Cost of Goods Sold			
GROSS PROFIT			
OPERATING EXPENSES			
Officer/Insider Compensation			
Selling & Marketing (attach detail)			
General & Administrative (attach detail)		1,264.27	5,469.15
Other Expenses (attach detail)			
Total Operating Expenses		1,264.27	5,469.15
Income Before Non-operating Income and Expense		(1,264.27)	(5,469.15)
OTHER INCOME & EXPENSE			
Other Income (attach list)			
Other Expense (attach list)			
Interest Expense	2,197.74	6,294.62	8,267.22
Depreciation/Depletion			
Amortization			
Net Other Income & Expense	(2,197.74)	(6,294.62)	(8,267.22)
LOSS Before Reorganization Expense	(2,197.74)	(7,558.89)	(13,736.37)
REORGANIZATION EXPENSES			
Professional Fees	1,043.50	1,685.90	3,726.60
U.S. Trustee Fees			
Other (attach list)			
Total Reorganization Expenses	(1,043.50)	(1,685.90)	(3,726.60)
Income Tax			(17,462.97)
NET LOSS	(3,241.24)	(9,244.79)	(17,462.97)

OXYGEN HOSPITALITY GROUP, INC.	
Case Number:	19-14401

## INCOME STATEMENT

Month: March-20

OPERATING EXPENSES	
Other Expenses (attach detail)	
Late Fees and Penalties	
Telephone Expense Corporate	
Total	0.00

**COMPARATIVE BALANCE SHEET**

(Accrual Basis)

\*Debtor's own form may be substituted if (1) it is prepared in accordance with generally accepted accounting principals, (2) current and prior period information is provided, and (3) if pre-petition and post-petition liabilities are segregated.

<b>ASSETS</b>	<b>SCHEDULE AMOUNT<sup>1</sup></b>	<b>CURRENT MONTH</b>	<b>PRIOR MONTH</b>
Unrestricted Cash	3986.56	390.60	390.60
Restricted Cash			
Total Cash	3986.56	390.60	390.60
Accounts Receivable (net)			
Inventory			
Notes Receivable			
Prepaid Expenses			
Other (attach list)			
Total Current Assets			
Property, Plant & Equipment	918.00	918.35	918.00
Less: Accumulated Depreciation			
Net Property, Plant & Equip.			
Due From Insider(s)			
Other Assets - net (attach list)			
Other (attach list)	1,932,337.78	1,932,323.65	1,932,323.65
TOTAL ASSETS	1937242.34	1,933,632.60	1,933,632.25
<b>POST-PETITION LIABILITIES</b>			
Accounts Payable		1644.19	458
Taxes Payable			
Notes Payable			
Professional Fees		3571.1	3713.79
Secured Debt			
Other (attach list)		8637.94	0
Total Post-Petition Liabilities		13,853.23	4,171.79
<b>PRE-PETITION LIABILITIES</b>			
Secured Debt			
Priority Debt			
Unsecured Debt	567671.23	567671.23	567671.23
Other (attach list)			
Total Pre-Petition Liabilities	567671.23	567671.23	567671.23
TOTAL LIABILITIES	567671.23	581,524.46	571,843.02
<b>EQUITY</b>			
Pre-petition Owner's Equity	1,369,571.11	1,369,571.11	1,369,571.11
Post-Petition Cumulative Profit/Loss		(17,462.97)	(17,462.97)
Direct Charges to Equity (explain)			
Total Equity	1369571.11	1,352,108.14	1,352,108.14
TOTAL LIABILITIES & OWNER'S EQUITY	1937242.34	1,933,632.60	1,923,951.16

<sup>1</sup> This column should reflect the information provided in Schedules A, B, C, D, E, and F filed with the Court

OXYGEN HOSPITALITY GROUP, INC.

Case Number: 19-14401

## Balance Sheet Schedules

Month: March-20

ASSETS	
Other (attach list)	
Due From Hotel Oxygen Palm Spr	509,892.29
Due from A Great Hotel Company	156,872.83
Due To/From AGHCAZ	(171,803.99)
Due/To HOM	1,437,362.52
Total	<b>1,932,323.65</b>
POST-PETITION LIABILITIES	
Other (attach list)	
Accrued Interest	8,637.94
Total	<b>8,637.94</b>

## OXYGEN HOSPITALITY GROUP, INC.

Case Number: 19-14401

\*Information provided on this page should reconcile with balance sheet amounts

ACCOUNTS RECEIVABLE	TOTAL	0-30 Days	31-60 Days	60+ Days
Total Accounts Receivable				
Less Amount Considered Uncollectible	N/A			
Net Accounts Receivable				

DUE FROM INSIDER	
Schedule Amount	
Plus: Amount Loaned Since Filing Date	
Less: Amount Collected Since Filing Date	N/A
Less: Amount Considered Uncollectible	
Net Due From Insiders	

INVENTORY	
Beginning Inventory	
Plus: Purchases	N/A
Less: Cost of Goods Sold	
Ending Inventory	

Date Last Inventory was taken: \_\_\_\_\_

FIXED ASSETS	SCHEDULE AMOUNT	ADDITIONS	DELETIONS	CURRENT BOOK AMOUNT
Real Property				0
Buildings				\$0.00
Accumulated Depreciation				\$0.00
Net Buildings				\$0.00
Equipment	\$918.00			\$918.00
Accumulated Depreciation				\$0.00
Net Equipment	\$918.00			\$918.00
Autos/Vehicles				
Accumulated Depreciation				
Net Autos/Vehicles				

Provide a description of fixed assets added or deleted during the reporting period; include the date of Court order:

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OXYGEN HOSPITALITY GROUP, INC.

Case Number: 19-14401

## STATUS OF LIABILITIES AND SENSITIVE PAYMENTS

\*Information provided on this page should reconcile with balance sheet and disbursement detail amounts

POST-PETITION LIABILITIES	TOTAL	0-30 Days	31-60 Days	61-90 Days	91+ Days
Accounts Payable *	1,666.19	1644.19			
Taxes Payable					
Notes Payable					
Professional Fees Payable	3,571.10	3571.1			
Secured Debt					
Other (attach list)	8,637.94	8637.94			
<b>Total Post-Petition Liabilities</b>	<b>13,875.23</b>	<b>13,853.23</b>			

\*DEBTOR MUST ATTACH AN AGED ACCOUNTS PAYABLE LISTING

### PAYMENTS TO INSIDERS AND PROFESSIONALS

Insiders			
Name	Reason for Payment	Amount Paid this Month	Total Paid to Date
N/A			
<b>Total Payments to Insiders</b>			

Professionals				
Name	Date of Court Order Authorizing Payment	Amount Approved	Amount Paid this Month	Total Paid to Date
N/A				
<b>Total Payments to Professionals</b>				



OXYGEN HOSPITALITY GROUP, INC.  
Case Number: 19-14401

## Balance Sheet Schedules

Month: March-20

Other (attach list)	
<b>Other (attach list)</b>	
Accrued Interest	8,637.94
<b>Total</b>	<b>8,637.94</b>

Vendor ID	Vendor	Invoice/CM #	0 - 30	31 - 60	61 - 90	Over 90 days	Amount Due
COX	Cox Communications	Dec19				229.00	229.00
COX	Cox Communications	Jan20				229.00	229.00
<b>COX</b>	<b>Cox Communications</b>					<b>458.00</b>	<b>458.00</b>
Libertas Law Group	Libertas Law Group	FC 549				188.46	188.46
Libertas Law Group	Libertas Law Group	FC 551				191.46	191.46
Libertas Law Group	Libertas Law Group	FC-655			92.83		92.83
Libertas Law Group	Libertas Law Group	FC-656			713.44		713.44
<b>Libertas Law Group</b>	<b>Libertas Law Group</b>				<b>806.27</b>	<b>379.92</b>	<b>1,186.19</b>
<b>Report Total</b>					<b>806.27</b>	<b>837.92</b>	<b>1,644.19</b>

OXYGEN HOSPITALITY GROUP, INC.

Case Number: 19-14401

## CASE STATUS

### QUESTIONNAIRE

	YES	NO
Have any funds been disbursed from any accounts other than a Debtor-in-Possession account?		X
Are any post-petition receivables (accounts, notes or loans) due from related parties?		X
Are any wages past due?		X
Are any U. S. Trustee quarterly fees delinquent?		X

Provide a detailed explanation of any "YES" answers to the above questions: (attach additional sheets if needed)

Current number of employees: 0

### INSURANCE

Carrier & Policy Number	Type of Policy	Period Covered	Payment Amount & Frequency
Liberty Mutual	General Liability	5/01/2019-5/31/2020	\$28,836.00
Liberty Mutual	Umbrella 14Mil	5/01/2019-5/31/2021	\$20,832.00
Liberty Mutual	WorkersComp	5/01/2019-5/31/2022	\$117,921.00
Arch	D and O Insurance	7/31/19 -7/31/20	\$18,900.00

### What steps have been taken to remedy the problems which brought on the chapter 11 filing?

The corporate office is closed

Both properties have offers on them

We had 6 employees in the Corp office. We layed off 4 and relocated the last two to he hotel.

### Identify any matters that are delaying the filing of a plan of reorganization:

We have been in Negotiations with the Peter Anadranistakis to purchase the properties. He has been working with the largest noteholder for an agreement to satisfy their conditions. Also have several third party buyers for each hotel.

Case Number: 19-14401

**Month:** March-20

**Bank Name** US Bank

[illegible]

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Case Number: 19-14401

Month: March-20  
Account # Ending in 1345

**Bank Name** US Bank

[illegible]**TOTAL DISBURSEMENTS - THIS PAGE**



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ESTATE OF OXYGEN HOSPITALITY GROUP INC  
DEBTOR IN POSSESSION  
BANKRUPTCY CASE # 2:19-BK-14401-PS  
3600 N 2ND AVE  
PHOENIX AZ 85013-3941



**To Contact U.S. Bank**

**24-Hour Business**

**Solutions:**

1-800-673-3555

**U.S. Bank accepts Relay Calls**

**Internet:**

usbank.com

## NEWS FOR YOU

Scan here with your phone's camera to download the U.S. Bank Mobile App.



## INFORMATION YOU SHOULD KNOW

**Effective May 11, 2020** the **"Your Deposit Account Agreement"** booklet will include updates that may affect your rights. The main updates to note in the revised **"Your Deposit Account Agreement"** booklet sections, and sub sections, are:

- Included in multiple sections
  - Clarification around reoccurring or one-time merchant debit card transactions
  - Rebranding of the Premier Line of Credit product to Personal Line of Credit
  - Clarification on ATM deposit availability
- Addition of "Special Provisions for Third Party Accounts" section
- Definitions section
  - Added the definition for "account" or "statement" cycle
- Savings Account section
  - Clarification on "Transfer and/or Withdrawal Restrictions"
  - Clarification on "Excessive Transfers and/or Withdrawals"
- Levies, Garnishments and other Legal Process section
  - Additional language and clarity on the legal process
- Funds Availability section
  - Changes to the Funds Availability section to reflect inflationary adjustments to certain specified dollar amounts for deposited funds:

Funds Availability Section	Current Amounts	Amounts effective as of May 11, 2020
Immediate Availability - All Accounts	Up to first \$200	Up to first \$225
Longer Delays May Apply - Case by Case Delays	The first \$200 of your deposit	(Increases to) \$225
Longer Delays May Apply - Safeguard Exceptions	Deposit of Check(s) greater than \$5,000	(Increases to) \$5,525
Special Rules for New Accounts - Retail Consumer and Business Accounts	All references of \$5,000	(Increases to) \$5,525

- Determining the Availability of a Deposit - All Accounts sub-section
  - Updated timing on deposits done at an ATM
- Deposits at Automated Teller Machines sub-section



### BALANCE YOUR ACCOUNT

To keep track of all your transactions, you should balance your account every month. Please examine this statement immediately. We will assume that the balance and transactions shown are correct unless you notify us of an error.

#### Outstanding Deposits

DATE	AMOUNT
TOTAL	\$

#### Outstanding Withdrawals

DATE	AMOUNT
TOTAL	\$

- List any deposits that do not appear on your statement in the Outstanding Deposits section at the left. Record the total.
- Check off in your checkbook register all checks, withdrawals (including Debit Card and ATM) and automatic payments that appear on your statement. Withdrawals that are NOT checked off should be recorded in the Outstanding Withdrawals section at the left. Record the total.
- Enter the ending balance shown on this statement. \$ \_\_\_\_\_
- Enter the total deposits recorded in the Outstanding Deposits section. \$ \_\_\_\_\_
- Total lines 3 and 4. \$ \_\_\_\_\_
- Enter the total withdrawals recorded in the Outstanding Withdrawals section. \$ \_\_\_\_\_
- Subtract line 6 from line 5. This is your balance. \$ \_\_\_\_\_
- Enter in your register and subtract from your register balance any checks, withdrawals or other debits (including fees, if any) that appear on your statement but have not been recorded in your register.
- Enter in your register and add to your register balance any deposits or other credits (including interest, if any) that appear in your statement but have not been recorded in your register.
- The balance in your register should be the same as the balance shown in #7. If it does not match, review and check all figures used, and check the addition and subtraction in your register. If necessary, review and balance your statement from the previous month.

### IMPORTANT DISCLOSURES TO OUR CONSUMER CUSTOMERS

#### In Case of Errors or Questions About Your Checking, Savings, ATM, Debit Card, ACH, Bill Pay and Other Electronic Transfers

If you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, we must hear from you no later than 60 days\* after we sent you the FIRST statement on which the error or problem appeared. Telephone us at the number listed on the front of this statement or write to us at U.S. Bank, EP-MN-WS5D, 60 Livingston Ave., St. Paul, MN 55107.

- Tell us your name and account number.
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, we may take up to 45 days to investigate your complaint. For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

\*Please note: Paper draft and paper check claims must be disputed within 30 days per Your Deposit Account Agreement.

### IMPORTANT DISCLOSURES TO OUR BUSINESS CUSTOMERS

Errors related to any transaction on a business account will be governed by any agreement between us and/or all applicable rules and regulations governing such transactions, including the rules of the National Automated Clearing House Association (NACHA Rules) as may be amended from time to time. If you think this statement is wrong, please telephone us at the number listed on the front of this statement immediately.

### CONSUMER BILLING RIGHTS SUMMARY REGARDING YOUR RESERVE LINE

#### What To Do If You Think You Find A Mistake on Your Statement

If you think there is an error on your statement, write to us at:

U.S. Bank, P.O. Box 3528, Oshkosh, WI 54903-3528.

In your letter, give us the following information:

- Account information:** Your name and account number.
- Dollar Amount:** The dollar amount of the suspected error.
- Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

**Reserve Line Balance Computation Method:** To determine your **Balance Subject to Interest Rate**, use the dates and balances provided in the Reserve Line Balance Summary section. The date next to the first Balance Subject to Interest is day one for that balance and is applicable up to (but not including) the date of the next balance (if there is one). We multiply the Balance Subject to Interest by the number of days it is applicable and add them up to get the same number of days in the billing cycle. We then divide the result by the number of billing days in the cycle. This is your **Balance Subject to Interest Rate**. Any unpaid interest charges and unpaid fees are not included in the Balance Subject to Interest. The \*\*\*INTEREST CHARGE\*\*\* begins from the date of each advance.

### REPORTS TO AND FROM CREDIT BUREAUS FOR RESERVE LINES

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

### CONSUMER REPORT DISPUTES

We may report information about account activity on consumer and small business deposit accounts and consumer reserve lines to Consumer Reporting Agencies (CRA). As a result, this may prevent you from obtaining services at other financial institutions. If you believe we have inaccurately reported information to a CRA, you may submit a dispute by calling 844.624.8230 or by writing to: U.S. Bank Attn: Consumer Bureau Dispute Handling (CBDH), P.O. Box 3447, Oshkosh, WI 54903-3447. In order for us to assist you with your dispute, you must provide: your name, address and phone number; the account number; the specific information you are disputing; the explanation of why it is incorrect; and any supporting documentation (e.g., affidavit of identity theft), if applicable.







ESTATE OF OXYGEN HOSPITALITY GROUP INC  
DEBTOR IN POSSESSION  
BANKRUPTCY CASE # 2:19-BK-14401-PS  
3600 N 2ND AVE  
PHOENIX AZ 85013-3941

## Business Statement

Account Number:

1345

Statement Period:

Mar 2, 2020

through

Mar 31, 2020



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## INFORMATION YOU SHOULD KNOW

(CONTINUED)

- Addition of Partner ATMs section
- Removed the following content and will be distributed upon individual product purchase
  - Safe Deposit Box Agreement
  - Consumer Reserve Line Agreement
  - Business Reserve Line Agreement

Starting May 11, you may pick up a copy at your local branch, view on usbank.com, or call 800.USBANKS (872.2657) to request a copy. If you have any questions, our bankers are available to help at your local branch. You can also call us at U.S. Bank 24-Hour Banking at 800.USBANKS (872.2657). We accept relay calls.

## SILVER BUSINESS CHECKING

Member FDIC

U.S. Bank National Association

Account Number 1345

### Account Summary

	# Items		
Beginning Balance on Mar 2		\$	390.60
Checks Paid	1		325.00-
<b>Ending Balance on Mar 31, 2020</b>		<b>\$</b>	<b>65.60</b>

### Checks Presented Conventionally

Check	Date	Ref Number	Amount
1001	Mar 20	9253310863	325.00

Conventional Checks Paid (1) \$ 325.00-

### Balance Summary

Date	Ending Balance
Mar 20	65.60

Balances only appear for days reflecting change.

## ANALYSIS SERVICE CHARGE DETAIL

Account Analysis Activity for: February 2020

Account Number:	1345	\$	5.00
Analysis Service Charge waived	1345	\$	5.00

### Service Activity Detail for Account Number 1345

Service	Volume	Avg Unit Price	Total Charge
<b>Depository Services</b>			
Paper Statement Fee	1	5.00000	5.00
Subtotal: Depository Services			5.00
Fee Based Service Charges for Account Number 1345		\$	5.00

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